

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Division of Housing Policy Development

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December 22, 2004

Mr. Bob Hendrix
City Manager
City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442

Dear Mr. Hendrix:

RE: Review of the City of Morro Bay's Adopted Housing Element

Thank you for submitting Morro Bay's housing element, adopted by the City on October 25, 2004 and received for the Department's review on November 2, 2004. As you know, the Department is required to review adopted housing elements and report its findings to the locality, pursuant to Government Code Section 65585(h). The Department's review was facilitated by a December 21, 2004 telephone conversation with Mr. Mike Prater, the City's Associate Planner.

The Department's September 8, 2004 review found the draft revisions to Morro Bay's housing element met all statutory requirements. Since the adopted element is substantively the same as the draft, the Department is pleased to find Morro Bay's housing element in full compliance with State housing element law (Article 10.6 of the Government Code). The Department acknowledges the City's efforts to facilitate the construction of workforce housing by offering flexible development standards and forming liaisons with People's Self Help Housing and other affordable housing developers. These and other programs described in the element demonstrate the City's commitment to implementing meaningful housing programs that will address a full range of housing needs.

In addition, because the City of Morro Bay's adopted housing element is in compliance, it has met one of the threshold requirements for an innovative new program that rewards local governments for approving affordable workforce housing. The Workforce Housing Program, funded by Proposition 46, provides grant funds to eligible local governments for every qualifying unit permitted, beginning calendar year 2004. Grant awards can be used to fund any capital asset project, such as transportation or park improvements. More specific information about the program is available on the Department's website at <http://www.hcd.ca.gov/ca/whrp/>.

The Department greatly appreciates the assistance provided by Messrs. Prater and Gary Keiser, Senior Planner; in particular, for arranging a tour of the City's housing sites on June 15, 2004. The Department looks forward to following the City's progress in implementing the element's programs through the annual general plan progress report required pursuant to Government Code Section 65400.

For your information, recently enacted legislation (Chapter 706, Statutes 2002, Government Code Section 65863) requires the City to ensure its inventory of adequate sites can accommodate its share of the regional housing need throughout the planning period. Further, Government Code Section 65863(b) prohibits local governments from lowering a residential density below that utilized by the Department in determining compliance with housing element law unless the locality makes certain findings. If we can be of assistance in implementing Morro Bay's housing and land-use strategies, please contact Michelle Woods, of our staff, at (916) 327-8881.

In accordance with requests pursuant to the Public Records Act, we are forwarding copies of this letter to the persons and organizations listed below.

Sincerely,



Cathy E. Creswell
Deputy Director

cc: Mike Prater, Associate Planner, City of Morro Bay
Gary Keiser, Senior Planner, City of Morro Bay
Mark Stivers, Senate Committee on Housing & Community Development
Suzanne Ambrose, Supervising Deputy Attorney General, AG's Office
Terry Roberts, Governor's Office of Planning and Research
Nick Cammarota, California Building Industry Association
Marcia Salkin, California Association of Realtors
Marc Brown, California Rural Legal Assistance Foundation
Rob Weiner, California Coalition for Rural Housing
John Douglas, AICP, Civic Solutions
Deanna Kitamura, Western Center on Law and Poverty
S. Lynn Martinez, Western Center on Law and Poverty
Alexander Abbe, Law Firm of Richards, Watson & Gershon
Michael G. Colantuono, Colantuono, Levin & Rozell, APC
Ilene J. Jacobs, California Rural Legal Assistance, Inc.
Richard Marcantonio, Public Advocates